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Irish Stock Exchange and Malta Stock Exchange launch European Wholesale Securities Market

The Irish Stock Exchange (ISE) announced a joint venture with the Malta Stock Exchange (MSE) to launch the European Wholesale Securities Market (EWSM), a new market for wholesale fixed-income debt securities. The ISE will own 80% of the new market with the MSE having a 20% shareholding.

The EWSM will offer issuers and arrangers of wholesale fixed-income debt securities access to an EU regulated market and is supported by the expertise of a dedicated listing agency service.

The EWSM complements the existing market offerings from each exchange. The ISE's International Primary Markets Division, headed by its Director Gerard Scully, will act as promoter of the market and the ISE will provide primary market infrastructure, listing and other corporate services. The MSE will act as the market operator and will provide secondary market services.

In addition, the ISE has set up a new entity, ISE Listing Services (ISELS), which will leverage the ISE's established expertise in structured debt by providing listing agency services on a commercial basis to issuers and arrangers interested in gaining admission to the new market.

EWSM has a Board of three non-executive directors. Padraic O'Connor, the Chairman of the ISE, will act as Chairman of the new entity. He is joined on the Board of EWSM by Michael C. Bonello, the former Governor of the Central Bank of Malta, and Fabrice Demarigny, who previously was Secretary General of the Committee of European Securities Regulators, the predecessor of the European Securities and Markets Authority (ESMA).

Ms Deirdre Somers, Chief Executive of the Irish Stock Exchange, said the new market reflects an opportunity for the ISE to further expand its business internationally in one of its key product lines: "The Irish Stock Exchange is the leading exchange in Europe for listing structured debt products and we've been exploring ways to expand and diversify our

activities in this area for some time. The European Wholesale Securities Market creates an additional market choice for debt issuers which we believe is timely and attractive. It also allows the ISE to extend its geographic reach and to build on our established reputation in market and listing support services."

Ms Somers said the Malta Stock Exchange was an ideal partner for the joint venture: "We've had a close working relationship with the Malta Stock Exchange for many years. It is an established and experienced market operator and we're delighted to have the opportunity to work with it to deliver an attractive new market proposition."

Dr Arthur Galea Salomone, Chairman of the Malta Stock Exchange plc, said: "The European Wholesale Securities Market is an important addition to Malta as an international financial services centre. Having the expertise of the Irish Stock Exchange on board was essential to its successful delivery. We are pleased that this joint venture enabled us to build upon our strong relationship with the Irish Stock Exchange".

Mr Chris D A Bond, Head of Global Banking & Markets, HSBC Bank Malta plc, said, "HSBC Bank Malta welcomes this important development and believes it will enhance the standing of Malta as an international financial services centre, in line with the country's objectives as well as HSBC Group's vision."

This extract was taken from a press release issued by the Irish Stock exchange on the 21st February 2012.

Malta recommended for taking steps to reduce administrative burdens

Steps taken by the **Malta Financial Services Authority (MFSA)** to reduce the administrative burdens for the business sector were pointed out in the report on best practice in member states that was presented to the President of the European Commission José Manuel Barroso.

The target to reduce administrative burdens for businesses in the European Union by 25% by 2012 and the corresponding Action Programme were proposed

by the Commission in January 2007 and endorsed by the European Council in March 2007. José Manuel Barroso said the report shows impressive examples how member states implement EU law in an intelligent way so that its positive effects can unfold and are not hampered by unnecessary administrative burdens at national level.

The Maltese Government has submitted an example for a transparent approach concerning the transposition and implementation of a complex directive in the area of financial services concerning the Directive on the coordination of laws, regulations and administrative provisions relating to undertaking for collective investment in transferable securities. With this in mind the MFSA designed an ad hoc section on its website which contains information on legislation, consultation documents and guidance. Furthermore briefing sessions for the industry are organised.

The European Commission has made good progress in implementing the Action Programme. It has already proposed measures to reduce administrative burdens by up to 33% or more than €40bn. Out of this, the European Council and Parliament have so far adopted measures amounting to a reduction of 22%.

With the recent agreement on measures reducing accounting red tape for more than 5 million small companies the total reduction figure received a further boost towards achieving the target of reducing administrative burdens by 25% by 2012.

The report 'Europe can do more' was compiled by the High Level Group on Administrative Burdens, chaired by Edmund Stoiber. The Group has been advising and assisting the Commission on the implementation of the Action Programme since 2008.

The best practice report lists 74 best practice examples including initiatives on e-government, on intelligent solutions in particular for small businesses, direct stakeholder involvement, good guidance and cross-border initiatives.

The report shows that there is ample scope for improving the implementation of EU legislation. Since almost a third of the administrative burdens on businesses deriving from EU legislation stem from inefficient national implementation of EU requirements, reducing such burdensome implementation is vital to improving the life of businesses and to boosting the EU's economy and its competitiveness.

Malta's target is to reduce its administrative burdens for business by 15%. This target cannot be compared to

targets made by other member states because some use gross targets which only include the reduction potential of administrative burdens that have been removed. Others use net targets where the negative effect of new burdens introduced over the same period is included in the calculation of the total reduction.

Report (attached) can also be viewed at http://ec.europa.eu/dgs/secretariat_general/admin_burden/best_practice_report/best_practice_report_en.htm

[Article by Annette Vella](#) - source di-ve.com

Malta International Risk & Insurance Congress 2012

Risk managers with European companies currently operate in a very difficult environment that is dominated by three key factors: a rapid pace of change, acute competition for growth in high risk emerging markets and ever more and often conflicting regulation.



For this reason the fourth Malta International Risk & Insurance Congress will bring together a group of leading European and international experts in economics and finance, risk management and transfer to identify the big challenges and risks that face European corporations currently, and explore how these risks can be best measured and managed and ultimately transferred.

This year's event will focus on five key areas:

Supply chain risk - How should European corporations manage their global supply chain challenges more effectively and how can corporate risk managers work more effectively with their risk transfer partners to better manage this critical risk?

Global Programmes - How should risk and insurance managers with European and international corporations work with their brokers, re/insurers and professional advisers to ensure that cross-border risks are cost-effectively managed and insured in a truly compliant way?

The fitness of the European insurance industry - what impact will the evolving European financial crisis have upon the ability and willingness of the leading insurance and reinsurance groups to take on industrial risks?



Captive management and Solvency II - How could and should captives be used to maximise risk capital? How can captives be used to incubate difficult and emerging risks? What must European risk and insurance managers do to ensure that their captives are compliant with the new rules within Solvency II? How can they most effectively work with their supervisors to ensure that they are regulated in a proportionate manner and how can capital be most effectively organised and managed to deliver the optimal result for European captive owners?

The effective management of emerging risk - What are the key emerging risks that risk managers will have to deal with in 2012 and beyond and what are the best risk transfer techniques and tools available for dealing with them?

By focusing upon supply chain risks and the most effective use of global programmes, captives and emerging risks, this event will enable risk and insurance managers to identify the key risks created by global trade and expansion and the best strategies and techniques to manage and transfer those risks in an increasingly regulated environment.

This will therefore be a must attend event for any European or international risk manager who works for a company that has cross-border exposures, and executives of brokers, captives managers, insurers, reinsurers and professional advisory firms who focus upon pan-European and international markets.

Click [here](#) to view the full program.

Update to the ESMA Q&A on Money Market Funds

The European Securities and Markets Authority ('ESMA') has recently published an update to its Q&A on Money Market Funds (ESMA/2012/113).

The purpose of ESMA Q&A on Money Market Funds is to promote common supervisory approaches and practices in the application of the guidelines on a Common Definition of European Money Market Funds developed by CESR (now ESMA), by providing responses to questions posed by the general public and competent authorities.

Two new topics have been added (Q15 and Q16) in order to provide guidance on: **[i]** the assessment of the credit quality of financial instruments that are rated by credit rating agencies; and **[ii]** how management companies are expected to deal with situations where a financial instrument in which a money market fund is invested no longer complies with the criteria set out in the guidelines on a Common Definition of European Money Market Funds.

The updated version of the ESMA Q&A can be accessed from the ESMA website: <http://www.esma.europa.eu/>

[system/files/2012-113.pdf](http://www.esma.europa.eu/system/files/2012-113.pdf)

For any queries, please contact Mr Christopher P. Buttigieg, Deputy Director – Securities & Markets Supervision Unit on cbuttigieg@mfsa.com.mt or Mr Jonathan Sammut, Analyst – Securities & Markets Supervision Unit on jsammut@mfsa.com.mt

ESMA - Key concepts of the Alternative Investment Fund Managers Directive and types of AIFM

On 23rd February, 2012 the European Securities and Markets Authority ('ESMA') launched a consultation on key concepts of the AIFMD and types of AIFM (ESMA/2012/117). The discussion paper is available from the ESMA web-page: <http://www.esma.europa.eu/system/files/2012-117.pdf>

The discussion paper covers the following areas: [i] definition of AIFM; [ii] definition of AIF; [iii] treatment of UCITS management companies; and [iv] treatment of MiFID firms and credit institutions. The MFSA strongly encourages the local industry to consider the document and contribute to this consultation process. The consultation is open until 23rd March 2012. All contributions should be submitted online at www.esma.europa.eu. The consultation period is open until 18th May, 2012. The Authority would appreciate receiving a copy of your feedback to ESMA. This should be addressed to Dr Isabelle Agius: iagius@mfsa.com.mt

For any queries, please contact Mr Christopher P. Buttigieg, Deputy Director – Securities & Markets Supervision Unit on cbuttigieg@mfsa.com.mt or Mr Jonathan Sammut, Analyst – Securities & Markets Supervision Unit on jsammut@mfsa.com.mt.

The Danish Presidency published a compromise proposal on CRD IV ('New CRD' & 'CRR')

On July 2011, the European Commission published a proposal which shall replace the current **Capital Requirements Directives (2006/48 and 2006/49)** with:

- a) a Directive of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ('New CRD')
- b) a Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ('CRR').

While Member States are required to transpose the new CRD into national law, the CRR is directly applicable,



which means that it creates law that takes immediate effect in all Member States in the same way as a national instrument, without any further action on the part of the national authorities.

On the 10th January 2012, the Danish Presidency published a compromise proposal on the New CRD and the CRR. The Danish Presidency's compromise proposal amends the European Commission's original proposal further to discussions in the Council. The compromise text of the 'new CRD' and the 'CRR' are available from the European Council web-site as follows:

New CRD: <http://register.consilium.europa.eu/pdf/en/12/st05/st05107.en12.pdf>

CRR: <http://register.consilium.europa.eu/pdf/en/12/st05/st05104.en12.pdf>

Another compromise text is expected in the very near future.

The MFSa encourages the local industry to follow the debate on the CRD IV.

Should you have any queries in relation to CRD IV, please contact Mr Karol Gabarretta, Director – Banking Supervision Unit (kgabarretta@mfsa.com.mt); or Ms Astrid Farrugia, Analyst - Banking Supervision Unit (amfarrugia@mfsa.com.mt); or Mr Christopher P. Buttigieg, Deputy Director – Securities & Markets Supervision Unit (cbuttigieg@mfsa.com.mt) or Ms Mellyora Grech, Analyst - Securities & Markets Supervision Unit (mgrech@mfsa.com.mt).

IOSCO consults on revised CIS Valuation Principles

On 16th February 2012, the International Organisation of Securities Commissions ('IOSCO') published a consultation document on principles for the valuation of collective investment schemes ('the consultation document').

The consultation document updates the IOSCO's report on *Regulatory Approaches to the Valuation and Pricing of Collective Investment Schemes*, which was published in 1999. It also clarifies some concepts outlined in the IOSCO's *Principles for the Valuation of Hedge Fund Portfolios*, issued in 2007.

The principles laid down in the consultation document can be used to assess the quality of regulation and industry practices concerning the valuation of collective investment schemes, thereby ensuring that investors are treated fairly.

A copy of the consultation document is available on the IOSCO website: <http://www.iosco.org/news/pdf/IOSCONEW5223.pdf> The MFSa strongly encourages the local industry to consider and contribute to this consultation process. The consultation period is open until 18th May, 2012.

For any queries, please contact Mr Christopher P. Buttigieg, Deputy Director – Securities and Markets Supervision Unit on cbuttigieg@mfsa.com.mt or Mr Jonathan Sammut, Analyst – Securities and Markets Supervision Unit on jsammut@mfsa.com.mt.

Update on EU Securities Regulation

On 30th January 2012, ESMA published a consultation paper (ESMA/2012/44) setting out possible guidelines on UCITS Exchange Traded Funds (UCITS ETFs) and Structured UCITS.

The proposal stipulates requirements applicable:

[I] to synthetic and physical UCITS ETFs; and to index-tracking UCITS; and

[II] in relation to the application of efficient portfolio management techniques; total return swaps; and strategy indices for UCITS.

The MFSa encourages the industry to consider the consultation document and submit comments to ESMA. The consultation closes on the 30th March 2012. ESMA will take into account responses to this consultation paper in finalising the guidelines for adoption in Q2 2012.

A copy of the consultation document is available on the web-site: http://www.esma.europa.eu/system/files/2012-44_0.pdf

For any queries on the ESMA document, please contact Mr Christopher P. Buttigieg, Deputy Director - SMSU (cbuttigieg@mfsa.com.mt) or Mr Jonathan Sammut, Manager - SMSU (jsammut@mfsa.com.mt).

Regulation on Short Selling and Credit Default Swaps

On 21st February 2012, the Council of the European Union adopted a Regulation on short selling and certain aspects of credit default swaps. The adoption of this Regulation follows the agreement reached with the European Parliament in first reading on 18th October 2011 and subsequent approval by the Permanent Representatives Committee on 10th November 2011. This Regulation should be applicable as from 1st November 2012.



This regulation provide a common regulatory framework with regards to the requirements and powers relating to short selling and credit default swaps thus ensuring greater coordination and consistency between Member States. This harmonised set of rules aims at warranting the proper functioning of the internal market and improving the conditions of its functioning, in particular with regard to the financial markets as well as ensuring a high level of consumer and investor protection. The Regulation is available for download from the following link: [<http://register.consilium.europa.eu/pdf/en/11/pe00/pe00068.en11.pdf>]

The Commission has also requested ESMA to develop technical standards concerning this Regulation and ESMA's advice should be submitted to the Commission by 31st March 2012.

In this regard, on 24th January 2012 ESMA issued a consultation paper entitled "Draft technical standards on the Regulation (EU) xx/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps"[http://www.esma.europa.eu/system/files/2012-30_0.pdf]. The consultation period ran till 13th February 2012. Subsequently on 13th February 2012, ESMA issued a second consultation paper entitled "ESMA's draft technical advice on possible Delegated Acts concerning the regulation on short selling and certain aspects of credit default swaps ((EC) No XX/2012) [<http://www.esma.europa.eu/system/files/2012-98.pdf>]". This second consultation runs till 9th March 2012.

MFSa Economic and Market Overview Report (December 2011)

The MFSa has published on its website the second issue of 'Economic and Market Overview' report. This report is issued every six months and covers information related to the economy in Malta and the effect of international developments on the local financial services market.

This issue includes an analysis on the performance of EU member states with respect to government debt and deficit, long-term interest rates, inflation and unemployment rates. The report also includes a brief overview on the local economic and financial services sector.

The Economic and Market Overview report also includes a comparative study on the financial services sector of the United Kingdom, Switzerland, and Hong Kong; followed by another comparative study on funds business of Cayman Islands and France. The comparative study provides an insight into the macroeconomic statistics for the selected jurisdictions and provides a snapshot of the size of the financial services sector. The study includes insights into the

resources, reputation, regulatory infrastructure and rules for the financial services sector within each selected jurisdiction.

The report also provides a brief overview of recent international developments within the financial services sector split up into funds, insurance, banking and pensions business. This section provides links to the relevant news releases and websites from where the relevant information can be viewed. Furthermore this report includes an extensive article on risks of European exchange-traded funds (ETFs).

This report can be accessed from the MFSa website www.mfsa.com.mt under Publications.

Latest News from the European Supervision Authorities

European Banking Authority (EBA)

01 February 2012 - [Financial Innovation and Consumer Protection : an overview of the objectives and work of the EBA's Standing Committee on Financial Innovation \(SCFI\) in 2011-2012](#)

09 February 2012 - [The EBA's Board of Supervisors makes its first aggregate assessment of banks' capital plans](#)

13 February 2012 - [EBA publishes a consultation paper on draft ITS on reporting of large exposures](#)

23 February 2012 - [Comments of the EBA to the ICANN on the planned Top Level Domain Names .bank and .fin](#)

European Securities and Markets Authority (ESMA)

15 February 2012 - [Regulators re-elect Jean Guill, Kurt Pribil and Fernando Restoy to ESMA's Management Board](#)

24 February 2012 - [ESMA readies guidelines on automated trading – application deadline starts](#)

European Insurance and Occupational Pensions Authority (EIOPA)

13 February 2012 - [EIOPA publishes its Action Plan 2012 for Colleges of Supervisors](#)

15 February 2012 - [EIOPA publishes final advice on the IORP Directive Review](#)



Licences - January 2012

New Licences issued

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Collective Investment Scheme licence issued to **The Nascent Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Innocap Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **NBCG Fund SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **HMP Woodman Funds SICAV plc** in respect of one sub-fund.
- Collective Investment Scheme licence issued to **Willer Opportunities (Malta) SICAV Limited** in respect of one sub-fund.

Investment Services

- Category 2 licence issued to **Z Investment Partners Malta Limited**.

Recognised Fund Administrators

- Certificate issued to **Blue Planet Investment Management Limited**.

Insurance

Insurance Undertakings

- Licence issued to **Werla Insurance Company Limited** to carry on business of insurance and reinsurance in five classes of the general business.

Pensions

Retirement Schemes

- Certificate of Registration issued to **The STM Malta (US Qualified) Retirement Plan**.
- Certificate of Registration issued to **The STM Protected Retirement Plan**.

Trustees & Fiduciaries

- Authorisation issued to **Premier Fiduciary and Trusts Limited** to act as a trustee and to provide other fiduciary services (including acting as an administrator of private foundations).

Licences Surrendered

Collective Investment Schemes

Professional Investor Funds targeting Qualifying Investors

- Surrender of licence issued to **Meridon Funds SICAV** in respect of one sub-fund.
- Surrender of licences issued to **NBCG Fund SICAV plc**

in respect of eleven sub-funds.

- Surrender of licences issued to **Innocap Fund SICAV plc** in respect of six sub-funds.

Non UCITS

- Surrender of licence issued to **HSBC Structured Funds SICAV plc** in respect of one sub-fund.

Nominees

- Surrender of warrant issued to **Thor (Nominee) Limited**.

Licences Extended

Investment Services

- Extension of licence issued to **Integradvisory Limited** to extend its licence to provide nominee services to Retail Clients and Professional Clients (including Collective Investment Schemes) in relation to the instruments for which it is licensed.

Trustees & Fiduciaries

- Extension of licence issued to **CSB Trustees and Fiduciaries Limited** to include acting as an administrator of private foundations.
- Extension of licence issued to **DNT Fiduciary Limited** to include acting as an administrator of private foundations.

Registry of Companies - New Registrations for January 2012

Companies (Local)	Partnerships	Total
261	8	269

MFSA Notices - February 2012

16/02/2012 - Surrender of Licence by Atlantik Advanced Solutions 1 SICAV plc

17/02/2012 - EIOPA's Advice to the European Commission on the review of the IORP Directive

23/02/2012 - MFSa Notice to Financial Services Licence Holders - US Designation of Libyan Individual

24/02/2012 - MFSa Notice to Financial Services Licence Holders - FATF - International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation

29/02/2012 - MFSa Notice to Financial Services Licence Holders - Belarus Sanctions - Duty to Freeze Assets and Report



MFSa Circulars - February 2012

13 February 2012 - [Applicants for authorisation as Credit Institutions and Insurance Companies](#)

MFSa Warnings - February 2012

22 February 2012 - [MFSa Warning - CIB Malta PLC- <http://cibmalta.eu>](#)

Foreign Warnings

Foreign warnings received by MFSa can be viewed on the Authority's Website www.mfsa.com.mt, under [Announcements/Foreign warnings](#) received.

Forthcoming Events

March 28-29, 2012 - [Implications For Fund Services Under AIFM & UCITS IV Directive](#)

May 24-25, 2012 - [Malta International Risk & Insurance Congress 2012](#)

Forthcoming Training Courses - Malta International Training Centre (MITC). Training programmes' details are available on the [MITC Website](#).

Issued by the Communications Unit, Malta Financial Services Authority, e-mail: communications@mfsa.com.mt

MFSa

MALTA FINANCIAL SERVICES AUTHORITY

Notabile Road, Attard BKR 3000, Malta

Phone: +356 21 44 11 55; Fax: +356 21 44 11 89

www.mfsa.com.mt registry.mfsa.com.mt mymoneybox.mfsa.com.mt www.careersinfinance.mfsa.com.mt

